

U.S.-Cambodia Relations: Issues for the 113th Congress

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Summary

The United States and the Kingdom of Cambodia have been expanding their once-limited ties for a number of years, although U.S. concerns about Cambodia's human rights record still limit the scope of the bilateral relationship. The Obama Administration has taken steps to broaden engagement with Cambodia, partly in response to China's growing diplomatic and economic influence in Cambodia and the Lower Mekong Delta region. U.S. interests in Cambodia include promoting development, trade and investment, regional security, civil society, democracy, and human rights. U.S. military engagement with Cambodia has increased as well. These include naval port visits, military assistance, and joint exercises related to international peacekeeping, humanitarian activities, and maritime security. A key challenge for U.S. policy toward Cambodia lies in balancing efforts to engage the Kingdom on many fronts while promoting democracy and human rights.

During the past decade, the Kingdom has made fitful progress in some areas of U.S. concern, including the conduct of elections, the development of civil society, labor rights, bringing some Khmer Rouge leaders to justice, public health, and counterterrorism measures. However, during the past several years, the political system has become less democratic and civil liberties have been curtailed. Although political opposition groups may gain parliamentary seats in the July 28, 2013 national elections by forming a united front and tapping into voter discontent among urban and marginalized groups, Prime Minister Hun Sen's continued hold on power seems assured.

Over the past decade and a half, Hun Sen has bolstered his political strength through a combination of electoral victories, influence over the broadcast media and judiciary, legal and extra-legal political maneuvers, intimidation of opponents and critics, patronage, and economic threats. Many observers believe that the fairness of the national elections were seriously undermined prior to election day. Among the major concerns were the prevention of opposition leader Sam Rainsy from participating in politics or running in the elections, the expulsion of opposition lawmakers from the National Assembly, inaccurate voter lists, and the alleged lack of neutrality of the National Election Commission.

The United States provides significant foreign aid to Cambodia, one of the poorest countries in Asia, largely through non-governmental organizations. The Kingdom received \$76 million in U.S. assistance in FY2012. Program areas include public health, agricultural development, environmental preservation, military training, maritime security, elections, civil society, and removal of explosive remnants of war. The United States is the largest foreign market for Cambodian goods, buying about half of the Kingdom's garment exports.

China has been a principal source of loans, infrastructure development, investment, and foreign aid to the Kingdom. Some experts maintain that Chinese assistance has significantly reduced the effectiveness of traditional aid donors in attempting to pressure Phnom Penh to make advances in the areas of rule of law, democracy, and human rights. Some groups have expressed concerns about the adverse effects of China's development projects on the local environment. Other observers also contend that Beijing has influenced Cambodian foreign policy. During its chairmanship of the Association of Southeast Asian Nations (ASEAN) in 2012, Cambodia was seen as acceding to Beijing's desire to block attempts to raise the issue of maritime security in regional fora, to the consternation of the United States and other ASEAN nations.

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U.S.-Cambodian Relations¹

Although human rights concerns place limits on the depth of the U.S.-Cambodia relationship, a period of relative political stability in Cambodia that began in 2006, combined with U.S. regional security and strategic concerns, has led to a movement toward deeper bilateral ties. U.S. interests in the Kingdom of Cambodia include social, economic, and political development, trade and investment, regional security, civil society, and human rights. As China's economic and political influence has grown in Cambodia and the Lower Mekong Delta region, the Obama Administration has attempted to bolster U.S. ties with Cambodia and other countries in the region.² A key challenge for U.S. policy toward Cambodia lies in combining and balancing efforts to engage the Kingdom on a range of fronts while promoting human rights and democracy. Some policy makers and experts contend that U.S. relations with Cambodia should be restricted until Prime Minister Hun Sen reverses a trend of deteriorating conditions for civil liberties and democratic institutions.³

Cambodia at a Glance

Area: 70,000 sq. miles (about the size of Missouri)
Capital: Phnom Penh
Population: 15.2 million
Government: parliamentary under a constitutional monarchy
Economic Sectors (percent of GDP): agriculture (35); industry (24); services (41)
Life Expectancy: 63 years
Religion: Theravada Buddhism (95% of population)
Literacy: 77%
GDP per capita: \$2,400 (purchasing power parity)
Source: CIA, *The World Factbook*, 2013

High-Level Diplomacy

According to some observers, Cambodia's close ties with China do not preclude improved relations with Washington, and Phnom Penh welcomes increased U.S. attention.⁴ The Obama Administration has taken tentative but meaningful steps toward strengthening U.S. ties with the Kingdom, particularly as Washington has sought to place greater foreign policy emphasis on East Asia.⁵ Hillary Clinton visited Phnom Penh in October 2010, the first visit by a U.S. Secretary of State in seven years, where she met with Prime Minister Hun Sen, King Norodom Sihamoni, opposition leader Mu Sochua, and others. During the trip, Secretary Clinton cautioned the Cambodians about becoming "too dependent" upon China.⁶ In June 2012, Cambodian Foreign Minister Hor Namong met with Clinton in Washington, DC, to discuss bilateral and regional issues.

In July 2012, Secretary Clinton participated in the U.S.-Association of Southeast Asian Nations (ASEAN) Ministerial Meeting in Phnom Penh, where she spoke about U.S. support for ASEAN, maritime disputes in the South China Sea, and six strategic "pillars" of U.S. engagement in the

¹ The Library of Congress Overseas Operations Field Office in Jakarta, Indonesia, helped to provide information for this report.

² Craig Whitlock, "U.S. Expands Counterterrorism Assistance in Cambodia," *Washington Post*, November 16, 2012.

³ Ibid.

⁴ Testimony of William E. Todd, Nominee for Ambassador to the Kingdom of Cambodia, Senate Foreign Relations Committee, March 13, 2012.

⁵ See CRS Report R42448, *Pivot to the Pacific? The Obama Administration's "Rebalancing" Toward Asia*, coordinated by Mark E. Manyin.

⁶ John Pomfret, "Clinton Urges Cambodia To Strike a Balance with China," *Washington Post*, November 1, 2010.

region: regional security cooperation, economic integration and trade, engagement in the Lower Mekong region, transnational threats, democratic development, and war legacies.⁷ The former Secretary of State met with Hun Sen and participated in the U.S.-ASEAN Business Forum held at Siem Reap, near the famous temples of Angkor Wat.

In November 2012, President Barack Obama traveled to Phnom Penh to attend the U.S.-ASEAN Leaders Meeting and the East Asia Summit (EAS). Obama was the first U.S. President to visit Cambodia. While in Phnom Penh, the President met briefly with Prime Minister Hun Sen—the usual protocol for a U.S. President on the sidelines of an EAS summit. During the meeting, Obama reportedly focused on human rights issues and urged the Cambodian leader to release political prisoners and allow opposition parties greater freedom. Human rights groups welcomed the call for improvements in Cambodia’s human rights record, although some argued that the President should not have met Hun Sen at all.⁸

Military Cooperation

The U.S. government has devoted a small but sustained level of engagement with the Cambodian military, in part to maintain a degree of leverage in the Kingdom. U.S. military officials have expressed a desire for further cooperation with the Royal Cambodian Armed Forces (RCAF) as part of the Administration’s policy of rebalancing toward Asia.⁹ U.S. military engagement in Cambodia includes naval port visits, military assistance, and joint exercises related to international peacekeeping, civic action and humanitarian activities, and maritime security. Washington began military contacts in roughly 2006 with a small International Military Education and Training (IMET) program worth \$49,000 and a focus on counterterrorism cooperation. In the following years, two U.S. naval ships made port calls in Cambodia, the first in three decades, and U.S. military personnel launched training programs in counterterrorism and peacekeeping. Since 2010, U.S. and Cambodian military personnel have collaborated in bilateral and multilateral exercises. In 2012, the USS *Blue Ridge* visited Sihanoukville, Cambodia. Naval officers from both sides reportedly discussed joint exercises, coastal security, exploration and rescue, and other activities. In October 2012, U.S. and Cambodian naval forces participated in Cooperation Afloat Readiness and Training (CARAT) for the third year in a row, focusing on maritime security. In March 2013, the third annual Angkor Sentinel, a bilateral peacekeeping exercise held in Cambodia, took place in Kamong Speu.

Cambodian Debt

Cambodia owes the United States roughly \$450 million (including \$162 million in principal) for agricultural commodities provided by the U.S. Department of Agriculture to the Lon Nol government during the early 1970s. Cambodian officials have argued that many of the shipments never reached Cambodia, and asked the U.S. government to lower the interest rate on the debt and to return most of it (at least 70%) in the form of foreign aid. The U.S. government reportedly has already forgiven nearly \$100 million, while U.S. officials have expressed a willingness to

⁷ Hillary Rodham Clinton, “Remarks at the U.S.-ASEAN Ministerial Meeting,” Phnom Penh, July 11, 2012. War legacies refer mainly to damages and ongoing effects related to U.S. military actions during the Vietnam War, such as unexploded ordnance (UXO) in Cambodia and Laos and dioxin (Agent Orange) in Vietnam.

⁸ Peter Baker, “Historic Trip to Cambodia, with No Talk of History,” *International Herald Tribune*, November 22, 2012. “Cambodia Has No Political Prisoners, but Politicians with Criminal Records,” *PNA (Philippines News Agency)*, November 23, 2012.

⁹ “U.S. Military Increases Presence in Japan, Vietnam, and Cambodia,” *Cambodia Herald*, February 6, 2013.

reschedule loan payments and return some payments as aid. However, U.S. officials have demanded that the Cambodian government first sign a bilateral debt agreement, acknowledging its obligations, and begin making payments before negotiations on debt terms begin. During their November 2012 meeting, President Obama remarked that his Administration would work to “find an acceptable solution for both sides.”¹⁰

Cambodia and the Region

Cambodia is integrated in the global system through foreign aid ties, the international NGO community, regional organizations, and foreign trade and investment. The Kingdom is heavily dependent upon foreign aid from Japan, the United States, Australia, and Europe. Since 1996, the World Bank, other international financial institutions, and Development Assistance Committee (DAC)¹¹ countries have attempted to coordinate aid and set economic and political reform guidelines for the Cambodian government through the Consultative Group for Cambodia and later the Cambodia Development Cooperation Forum. Cambodia is a member of the Association of Southeast Asian Nations and served as the organization’s rotating chair for the first time in 2012. Cambodia has significant trade relations with neighbors Thailand and Vietnam, while its largest export market is the United States.

Figure 1. Map of Cambodia



Source: Map Resources. Adapted by CRS. (6/05)

Cambodia as ASEAN Chair

In 2012, Cambodia served a one-year rotating term as chair of ASEAN. Many observers believe that Cambodia’s deference to China, its principal economic patron, undermined ASEAN unity at meetings of ASEAN and the East Asia Summit. At the July 2012 ASEAN Ministerial, Phnom Penh’s support for China’s position on territorial disputes in the South China Sea aggravated tensions within the regional organization, resulting in the first failure in ASEAN’s 45-year history to issue a joint communiqué.¹² The tensions largely centered on the objections of Cambodia, as chair of the proceedings and allegedly at China’s behest, to including a statement about the standoff between China and the Philippines at Scarborough Shoal. Beijing opposes ASEAN’s involvement in what it perceives to be bilateral issues.¹³

¹⁰ “Cambodian, U.S. Leaders Hold Talks on Debt, Human Rights,” *PNA (Philippines News Agency)*, November 20, 2012.

¹¹ DAC is a sub-grouping of the Organisation for Economic Cooperation and Development (OECD).

¹² “Editorial: Cambodia Has Put ASEAN’s Future in Jeopardy,” *The Nation*, July 15, 2012.

¹³ Several nations—China, the Philippines, Vietnam, Malaysia, and Brunei—have overlapping claims in the South China Sea, as does Taiwan. The United States does not take positions on competing territorial claims, but supports the maintenance of peace and stability in the region, freedom of navigation, multilateral approaches to resolving the

Cambodia and Thailand

Cambodia and Thailand, which once ruled parts Cambodia, have a history of conflict, although they share cultural traits and have strong economic ties.¹⁴ The two countries have experienced outbreaks of border tensions in recent years. In 2008, the long-simmering dispute over the sovereignty of land surrounding the 11th century Khmer Preah Vihear temple, which lies in Cambodia,¹⁵ reignited after the United Nations (UNESCO) granted the site World Heritage status. The Thai government opposed the declaration, since it bolstered Cambodia's claims, although most access to the temple passes through Thailand. Border clashes between Thai and Cambodian troops have flared several times since 2008, resulting in over three dozen deaths, including Thai and Cambodian soldiers and civilians. Yingluck Shinawatra, Thailand's Prime Minister since 2011, has sought to repair ties with Cambodia. In April 2013, the International Court of Justice began hearings on the dispute.¹⁶

Cambodia and Vietnam

Relations between the Cambodian communists (Khmer Rouge) and the Vietnamese Communist Party (VCP) included mutual suspicion and periods of acrimony, culminating in the Vietnamese invasion and occupation of Cambodia in 1979-1989. The VCP provided support to some members of the current Cambodian leadership who had defected from the Khmer Rouge. Hun Sen, who served as Prime Minister (1986-1993) and Foreign Minister in the Vietnam-backed People's Republic of Kampuchea (see **Textbox**, below), has maintained close diplomatic, economic, and military relations with Hanoi. In April 2013, Cambodian and Vietnamese officials signed an agreement on defense cooperation, focusing on training, joint naval patrols, and other activities.¹⁷ Many Cambodians regard Vietnam with wariness stemming from the country's control over parts of the Kingdom prior to the French colonial period (1887-1953) and during the occupation of the 1980s. Some opposition leaders have criticized Hun Sen for cooperating with Hanoi in demarcating disputed border areas, asserting that he is ceding land to Vietnam.¹⁸

Cambodia and China

The People's Republic of China (PRC), once a major provider of military support to the Khmer Rouge, has become the leading foreign economic benefactor in the Kingdom of Cambodia. Some observers contend that Cambodia's foreign policies are heavily influenced by China, as evidenced by the Kingdom's support of China's positions during the 2012 ASEAN meetings. Other analysts believe that Hun Sen values and seeks relations with multiple foreign powers.

Chinese economic interests are playing a growing role in Cambodia's development. The PRC is a major source of development assistance, largely in the form of concessional loans, Chinese-built infrastructure, and investment packages. In November 2012, PRC Premier Wen Jiabao met Prime Minister Hun Sen in Phnom Penh, promising to boost ties in many economic areas. In April 2013,

disputes, and respect for international law. U.S. Department of State, "South China Sea" (Press Statement), August 3, 2012.

¹⁴ "Historical Baggage a Burden on Thai-Cambodian Relations," *The Nation*, July 2, 2008.

¹⁵ Awarded to Cambodia by the International Court of Justice in 1962.

¹⁶ "Cambodia, Thailand Clash over Preah Vihear Temple at UN Court," *South China Morning Post*, April 15, 2013.

¹⁷ "Vietnam, Cambodia Sign Defense Cooperation Plan," *Vietnam News Service*, April 1, 2013.

¹⁸ Stephen Kurczyk, "Cambodia, Vietnam Re-affirm Their Vows," *Asia Times Online*, April 23, 2009.

China and Cambodia reportedly signed economic agreements that included \$500 million in PRC soft loans and \$48 million in grants during Hun Sen's meeting with new PRC Premier Li Keqiang in Beijing. Hun Sen was the first foreign leader to meet with Premier Li.¹⁹

Beijing has provided loans, trucks, helicopters, aircraft, uniforms, and training to the Cambodian Armed Forces. China reportedly sent two military delegations to Cambodia in 2012 and signed defense cooperation agreements with Phnom Penh in 2012 and 2013. The 2012 accord, worth a reported \$17 million, included the construction of military training and medical facilities.²⁰

Political Developments and Human Rights

During the past decade, Cambodia has made fitful progress in some areas of U.S. interest and concern, including the conduct of elections, the development of a vibrant civil society, the protection of labor rights, bringing some Khmer Rouge leaders to justice, and improving public health. After a period of relative stability and prosperity, Hun Sen and the Cambodian People's Party (CPP) appear to enjoy popular support, particularly in rural areas. A public opinion survey conducted in Cambodia by the International Republican Institute in early 2013 found that 79% of respondents felt that the country was going in the right direction, with many of them pointing to new roads, schools, and clinics as reasons for such optimism. Growing corruption and the trade and use of drugs were viewed as major national problems.²¹ During the past several years, the political system has become less democratic and civil liberties such as free speech and assembly have been encroached upon. Although political opposition groups may gain parliamentary seats in the national elections by forming a united front and tapping into voter discontent among urban voters, youth, and marginalized groups, the CPP's hold on power seems assured for now.

Hun Sen has bolstered his political strength through a combination of electoral victories, influence over the broadcast media and judiciary, legal and extra-legal political maneuvers, intimidation of opponents, patronage, and economic threats. Some critics argue that while electoral processes have improved, Hun Sen possesses unfair campaign advantages through his control over the broadcast media and harassment of political opponents, critics, and civil society actors. Although the press is somewhat freer to criticize the government, the print media reaches a relatively small proportion of the population.²²

¹⁹ "China Pledges \$548 Million in Aid to Ally Cambodia," *Reuters*, April 10, 2013.

²⁰ Men Kimseng, "China Offers \$20 Million in Military Aid Ahead of ASEAN Meeting," *VOA Khmer*, May 29, 2012; Prashanth Parameswaran, "China and Cambodia: With Friends Like These...." *China Brief* (Jamestown Foundation), Vol. 13, no. 1 (January 4, 2013); Carlyle A. Thayer, "The Tug of War in Cambodia," *USNI News*, February 13, 2013.

²¹ International Republican Institute, *Survey of Cambodian Public Opinion, January 12-February 2, 2013*, <http://www.iri.org/sites/default/files/Cambodian%20Poll%209%20Final%20PUBLIC.pdf>

²² The print media reaches roughly 10%-20% of the population, according to some estimates. Freedom House, *Freedom in the World 2013*, <http://www.freedomhouse.org/report/freedom-world/2013/cambodia-0>; *ibid*.

Modern Political History of Cambodia

The Kingdom of Cambodia received its independence from France in 1953. Beginning in 1969, during the Vietnam War, the United States conducted a four-year, sustained, large scale bombing campaign of and incursion into Cambodia aimed at North Vietnamese soldiers. According to some historians, the American bombing helped the Cambodian communists to gain followers and recruit soldiers. In March 1970, the military forces of pro-American General Lon Nol overthrew the government of Prince Norodom Sihanouk in a coup. A civil war followed, culminating in the defeat of Lon Nol in April 1975 by the Communist Party of Kampuchea (Khmer Rouge). During the Khmer Rouge's brutal three-year reign—which included forced depopulation of the cities and the establishment of rural communes—nearly 2 million out of a population of 8 million Cambodians died from execution, torture, overwork, starvation, and disease. In January 1979, Vietnamese forces drove the Khmer Rouge from Phnom Penh. A 13-year civil war ensued, in which Khmer Rouge, Cambodian nationalists, and royalist insurgents fought the Vietnamese-backed regime.

Following the Vietnamese withdrawal from Cambodia in 1989, a United Nations (U.N.)-brokered peace settlement officially ended the war. In 1993, elections were held for a 120-seat Constituent Assembly and Prince Sihanouk returned to Cambodia as king. For a decade and a half, three major parties vied for power and influence: the Cambodian People's Party (CPP) under the leadership of Hun Sen; the royalist FUNCINPEC Party (National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia); and the opposition Sam Rainsy Party. After sharing power with FUNCINPEC since 1993, Hun Sen staged an armed takeover of government in 1997. In the face of considerable international pressure and the withholding of foreign aid, Hun Sen held new parliamentary elections in July 1998, which the CPP narrowly won. Despite charges of election irregularities and post-election violence, the CPP and FUNCINPEC again agreed to form a coalition government, with Hun Sen as Prime Minister and Prince Ranariddh as President of the National Assembly. This uneasy partnership continued until 2006, when Ranariddh was ousted as the leader of FUNCINPEC and formed his own political party. Since then, Hun Sen has consolidated his power, effectively turning the Kingdom into a one-party state, according to some observers. FUNCINPEC has fragmented and is no longer a major political force. The Sam Rainsy Party and the Human Rights Party together hold 29 out of 123 seats in the national legislature.

On October 7, 2004, King Norodom Sihanouk abdicated the throne due to illness. On October 14, 2004, the Cambodian Throne Council selected Prince Norodom Sihamoni, Sihanouk's son, to succeed him as King. On October 15, 2012, Norodom Sihanouk died of heart failure, at the age of 89, in Beijing.

The Prime Minister has silenced political opponents through defamation and other lawsuits. Under a penal code that went into effect in December 2010, persons can be charged with defamation for the expression of views that “affect the dignity” of individuals, public officials, and government institutions and the crime of incitement for public speech and writings that create “serious turmoil in society.”²³ Governance is marred by corruption and many observers suspect that the CPP has played a role in many unresolved, politically motivated killings.²⁴ The National Democratic Institute described Cambodia as a country that has “made some progress in building democratic institutions and practices, particularly with a strong and vocal civil society.” However, the “long-standing dominance of the ruling Cambodian People's Party ... over all aspects of governance ... has limited transparency of government activities, stifled dissent and opposition, and suppressed free speech and access to information.”²⁵

In October 2012, the Phnom Penh Municipal Court sentenced independent radio broadcaster, government critic, and land rights activist Mam Sonando to 20 years in prison for insurrection.²⁶ Many Cambodian observers and human rights groups considered the charges to be lacking in

²³ Human Rights Watch, “Cambodia: New Penal Code Undercuts Free Speech,” December 22, 2010.

²⁴ “HRW: Cambodian Government Covering Hundreds of Political Murders,” *AsiaNews*, November 14, 2012.

²⁵ National Democratic Institute, <http://www.ndi.org/print/14088>.

²⁶ Prak Chan Thul, “Supporters Cry Foul as Veteran Cambodia Rights Activist Gets 20 Years,” *Reuters*, October 1, 2012.

evidence and politically motivated. In March 2013, following international pressure, Sonando's charge was replaced by a minor one and he was released.

Some experts argue that the space for civil society in Cambodia is shrinking. For example, in February 2013, the Cambodian government attempted to pressure lawyers not to give media interviews without the prior approval of the national bar association.²⁷ Demonstrations in the capital have been outlawed except in an officially designated "freedom park" away from state buildings and the parliament. There also have been instances of the government detaining or firing upon protestors in various disputes.²⁸

2013 National Elections

In the 2008 national elections, the two opposition parties, the Sam Rainsy Party led by Sam Rainsy and the Human Rights Party headed by Kem Sokha, won a total of 29 seats. The two royalist parties, the FUNCINPEC party and the Norodom Ranariddh Party, led by Prince Norodom Ranariddh, attained four seats combined. In 2012, the CPP won local elections by a wide margin—1,592 communes out of a total of 1,633, with the Sam Rainsy Party and the Human Rights Party winning the remainder of the communes. In 2012, the Sam Rainsy Party and the Human Rights Party merged to form a single opposition party, the National Rescue Party (NRP), with Sam Rainsy as president and Kem Sokha as vice-president.

Many observers believe the July 2013 national elections will likely mark another milestone in Hun Sen's evolving political power in Cambodia. Although a united democratic opposition may gain seats in Parliament, the CPP is expected to hold onto its large majority. The royalists, once a near-equal political force under FUNCINPEC, no longer constitute a challenge to the CPP.

Experts are concerned that the 2013 elections will not be fair or credible. The 2008 national elections, in which the CPP won 90 out of 123 seats in the National Assembly, were perceived by some foreign election monitors as largely honest. Some irregularities were reported, although they did not appear to affect the outcome of the election or distort the will of the electorate.²⁹ However, Hun Sen's political strength has further increased since 2008, giving rise to fears that he will ignore calls to ensure that the 2013 elections are conducted properly. Among major concerns are the prohibition of opposition leader Sam Rainsy from running in the contest, the expulsion of opposition lawmakers from the National Assembly, inaccurate voter lists, and the perceived bias of the National Election Committee (NEC).

Sam Rainsy, a Cambodian politician for over two decades and major opposition voice, lived in self-imposed exile in France from 2009 to July 2013. He has been convicted of a number of charges since 2005, including defamation and destroying public property, and was sentenced in absentia to a total of 11 years in prison. These charges were widely regarded as politically motivated. In November 2012, the National Election Committee declared that although the National Rescue Party would be allowed to participate in the national elections, its leader, Sam Rainsy, would not, on the grounds that he was a convicted criminal.³⁰ State Department spokesperson Victoria Nuland stated: "... the exclusion of a leading opposition leader calls into question the legitimacy of the whole democratic process in Cambodia."³¹

²⁷ Radio Free Asia, "Cambodia: New Controls for Law Commentators," February 8, 2013.

²⁸ Freedom House, *op. cit.*

²⁹ Department of State, *Country Reports on Human Rights Practices for 2012*, April 19, 2013.

³⁰ Khuon Narim and Den e-Hem Chen, "Sam Rainsy Deleted from Voter List for Election," *The Cambodia Daily*, November 5, 2012.

³¹ Sok Khemara, "US 'Disappointed' in Exclusion of Sam Rainsy from 2013 Election," VOA Khmer, January 8, 2013.

Following international pressure, on July 15, 2013, King Norodom Sihamoni pardoned Sam Rainsy at the request of Prime Minister Hun Sen. Sam Rainsy returned to Cambodia on July 19, less than 10 days before the July 28 elections. He reportedly was greeted by large and enthusiastic crowds in Phnom Penh. Although the pardon may have removed some legal obstacles to his participation in politics, the NEC concluded that Sam Rainsy was still ineligible to vote and run as a candidate in the national elections.

On June 5, 2013, the National Assembly Permanent Committee expelled 29 lawmakers, including 27 opposition legislators, from Parliament, asserting that their status was no longer valid due to their decision to resign from their parties and join new ones, such as the National Rescue Party. Opposition Members argued that the Permanent Committee's move was unconstitutional and intended to weaken the recently united opposition.³² The U.S. government issued a statement expressing deep concern over the action, supporting "a political process that includes the full participation of all political parties on a level playing field," and urging the National Assembly leadership to allow all elected members to "fulfill their commitment to serve the Cambodian people."³³ The Chheang Vun, chairman of the parliament's foreign affairs commission, rejected the U.S. statement as "unacceptable" and defended the legality of the Permanent Committee's decision.³⁴

Some analysts warn that incomplete and flawed voter lists threaten the legitimacy of the national elections. A report by the National Democratic Institute and two Cambodian NGOs found that the quality of voter lists has declined. Voter registration fell from 88% in 2008 to 83% of the electorate in 2013. Over 10% of voters who thought they were registered were not, and over 10% of people registered could not be found.³⁵ Democracy groups allege that the National Election Committee is too closely linked to the CPP and have expressed concerns over recruitment of its membership.³⁶ The NEC Secretary General, Tep Nytha, responded to criticism by stating that the NEC is independent and that its selection process was done in accordance with the law and the approval of Parliament.³⁷

Land Titling

As the Cambodian economy has developed, tens of thousands of Cambodians—many of them living in squatter colonies—have been displaced as government, business, and foreign entities, often in collusion, have confiscated their land and homes, sometimes forcibly, for agricultural, mining, logging, tourism, and urban development projects. Some groups claim that over 400,000 Cambodians have been affected by such evictions since 2003.³⁸ An estimated two-thirds of Cambodians lack proper deeds to the property on which they live. Many land titles were destroyed during the Khmer Rouge era, and many citizens lack knowledge of the law or the means to enforce it. In the past year, Cambodians have engaged in dozens of protests against

³² Shane Worrell and Vong Sokheng, "Assembly Now Invalid: Opposition," *Phnom Penh Post*, June 7, 2013.

³³ Department of State, Press Statement, "Expulsion of Opposition Parties from the National Assembly," June 8, 2013.

³⁴ Vong Sokheng, "Vun Defends Move to Expel Lawmakers," *Phnom Penh Post*, June 11, 2013.

³⁵ Joe Freeman and Meas Sokchea, "Cambodia: Election Body Questions Voter Registry Audit, Rejects Suggestions," *Phnom Penh Post Online*, March 22, 2013; Joe Freeman and Meas Sokchea, "Troubling Data in Voter Rolls: Report," *Phnom Penh Post*, March 22, 2013.

³⁶ Men Kimseng and Suy Heimkhemra, "Pressure Mounts for Cambodian Election Reform," *VOA Khmer*, March 5, 2013.

³⁷ "Cambodia's Opposition Party Protests Against Election Committee Ahead of July's Polls," *Xinhua*, April 24, 2013.

³⁸ Kate Hodal, "Cambodian Activist in Attempt to Overturn Conviction," *The Guardian*, March 5, 2013.

forced resettlement or the lack of adequate compensation for their property. Over 200 people reportedly were arrested in protests over land rights in 2012.³⁹

In 2012 and early 2013, Hun Sen announced that he would grant land titles to nearly half a million farmers, place a moratorium on land concessions, and return some property intended for development back to the people. However, critics say that the land titling scheme is not comprehensive; it does not affect urban areas or collective property belonging to indigenous peoples. They add that the process lacks transparency and accountability and is influenced by powerful interests. Furthermore, disputes continue, often resulting in arrests and violence by the government.⁴⁰ Some observers contend that the announcement was a political move. Hun Sen reportedly warned some villagers that they would not receive titles to their properties under the new policy if he were not reelected. In June 2013, the Prime Minister announced that the titling program would be suspended until after the national elections.⁴¹

Trafficking in Persons

Some experts argue that Cambodia has made significant strides in addressing trafficking in persons.⁴² The State Department has recognized Cambodia's efforts in combatting trafficking, although improvements reportedly have stalled. For three consecutive years, the Office to Monitor and Combat Trafficking in Persons placed Cambodia in the "Tier 2" category, meaning that the government does not fully comply with minimum standards in accordance with the Trafficking Victims Protection Reauthorization Act (TVPA), but it is making significant efforts to do so. However, in 2013, Cambodia's status fell to "Tier 2 Watch List" due to the country's inability to maintain progress.⁴³

According to the State Department's *Trafficking in Persons Report* and other sources, Cambodia is a source, transit, and destination country for human trafficking, which reportedly is furthered by corrupt government officials in Cambodia and Thailand. Cambodians have been victims of sex trafficking, domestic servitude, debt bondage, and forced labor in surrounding countries, including the trafficking of men to work under slave-like conditions on fishing vessels. Despite improvements in the past decade, particularly in the child sex trade within the country, the Cambodian government has "failed to make progress in holding trafficking offenders and child sex tourists accountable." In the past year, government efforts were inadequate in protecting and assisting victims and prosecuting and convicting offenders, and government officials were often complicit or contributed to a climate of impunity.⁴⁴

³⁹ Department of State, *Country Reports on Human Rights Practices for 2011*; Kong Sothanarith, 2012 Arrests in Land Disputes Highest in Five Years, *VOA Khmer*, January 25, 2013.

⁴⁰ Andrew Higgins, "Land Disputes in Cambodia Focus Ire on Chinese Investors," *Washington Post*, October 1, 2012; The Human Rights Situation in Cambodia: March 2013. Cambodian League for the Promotion and Defense of Human Rights; May Titthara, "Most Land Disputes in Cambodia Unsettled," *Phnom Penh Post*, February 21, 2013.

⁴¹ Shane Worrell and Vong Sokheng, "Largeses and Threats Ahead of Election," *Phnom Penh Post Online*, March 26, 2013; "Cambodia: Land Titling Program Open to Abuse," *Human Rights Watch Asia*, June 12, 2013.

⁴² Holly Burkhalter, "The U.S. Should Use Its Ability to Pressure Russia to End Orphan Trafficking," *Washington Post*, May 24, 2013.

⁴³ Department of State, Office to Monitor and Combat Trafficking in Persons, *Trafficking in Persons Report 2013*, June 2013. Countries on Tier 3 may be subject to sanctions pursuant to the TVPA. Cambodia was a Tier 2 country in 2001 and 2003-2004, and on the Tier 2 Watch List from 2006-2009. Cambodia was a Tier 3 country in 2002 and 2005.

⁴⁴ Ibid; Kevin Ponniah and Sen David, "Lost Ground in Trafficking," *Phnom Penh Post*, June 21, 2013.

The Khmer Rouge Tribunal

The Extraordinary Chambers in the Courts of Cambodia (ECCC), an international court with international and Cambodian judges and prosecutors, began proceedings in 2006 to try Khmer Rouge leaders and others responsible for grave violations of national and international law, such as crimes against humanity.⁴⁵ The ECCC is financed through a U.N.-administered international trust fund and bilateral donations. The top foreign donors, in order of contributions, are Japan, Australia, the United States, Germany, France, and the United Kingdom. Japan has contributed \$78.7 million since 2006. International donors pledged \$35 million for operating costs in 2013.⁴⁶ The tribunal reportedly has been hampered by interference from the Cambodian government and corruption by Cambodian court officials, resignations by some international judges, and unexpected costs and delays. Since the beginning of operations, the court has spent over \$179 million, and has faced annual budget shortfalls which have resulted in unpaid salaries to Cambodian judges and staff.

The United States government withheld assistance to the ECCC from 2006 to 2008 due to doubts about the court's independence. In 2008, the State Department announced that the court met international standards, and began providing contributions through the U.N. trust fund. Between 2008 and 2012, the United States contributed nearly \$17 million to the tribunal.⁴⁷ The U.S. government also has provided financial support to the Documentation Center of Cambodia (DC-Cam), an archive, library, and public service center related to Khmer Rouge atrocities. Under current congressional restrictions, foreign operations appropriations may be made available to the ECCC only if the Secretary of State certifies that the United Nations and the Government of Cambodia are taking credible steps to address allegations of corruption and mismanagement within the tribunal.⁴⁸

Five Khmer Rouge leaders have been charged with crimes against humanity and war crimes. Kaing Guek Eav (known as Comrade Duch), Pol Pot's "chief executioner," ran the infamous Toul Sleng (S-21) prison in Phnom Penh, where an estimated 14,000 Cambodians were killed. Nuon Chea was the Khmer Rouge's second-in-command. Ieng Sary was the former foreign minister. Ieng Sary's wife, Ieng Thirith, was the regime's Minister of Social Affairs. Khieu Samphan, the chief of state, was in charge of the Communist regime's radical economic policies.⁴⁹ In 2010, Kaing Guek Eav was sentenced to 35 years in jail (minus time already served), which many Cambodians considered to be too lenient. In February 2012, the court rejected his appeal and increased his term to life in prison. Of the remaining four defendants, all of whom were in their 80s at the beginning of 2013, Nuon Chea and Khieu Samphan have been in poor health and Ieng Thirith has been declared mentally unfit for trial and freed. Ieng Sary died in March 2013, before the completion of his trial.

Cambodian and international human rights groups have advocated expanding the scope of prosecutions to include more Khmer Rouge officials. However, Prime Minister Hun Sen has opposed expanding the number of indictments, arguing that it would undermine "national

⁴⁵ The tribunal has 17 Cambodian judges and prosecutors and 10 international judges and prosecutors. As a safeguard against bias, verdicts require a "super-majority"—a simple majority plus the vote of at least one international judge.

⁴⁶ "Japan Announces \$2.5 Mln for Khmer Rouge Tribunal," *The Cambodia Herald*, January 19, 2013.

⁴⁷ The United States, Norway, and Canada are the only countries among major bilateral donors that make contributions to the tribunal through the U.N. trust fund only, and not directly to Cambodia.

⁴⁸ See the conference report (H.Rept. 112-331) to H.R. 2055, The Consolidated Appropriations Act of 2012, §7044(c).

⁴⁹ In 2012, Ieng Thirith was declared mentally unfit for trial and freed.

reconciliation.” Although Hun Sen had defected from the Khmer Rouge in 1977 and fled to Vietnam, some analysts argue that he is reluctant to widen the scope of the trials due to his former connections with Khmer Rouge military officials.⁵⁰ Cambodian court officials have blocked the indictments of five additional suspects recommended by international members of the ECCC, maintaining that they were “not either senior leaders or those who were most responsible” during the Khmer Rouge period.⁵¹

Foreign Assistance

Cambodia relies heavily upon foreign aid, which is equal to more than half of its government budget. Civil society groups are also heavily dependent upon foreign funding. The largest providers of traditional aid or overseas development assistance (ODA), in order of the amount of ODA, are Japan, the United States, Australia, Germany, and France. Development Assistance Committee (DAC) countries combined provided an average of \$640 million per year between 2009 and 2011.⁵²

U.S. Assistance

Cambodia is the fourth-largest recipient of U.S. foreign aid in Southeast Asia after Indonesia, the Philippines, and Vietnam, and the second-largest beneficiary per capita after Timor-Leste. The Kingdom received \$76 million in U.S. assistance in FY2012, including the following aid accounts and programs (see **Table 1**):⁵³

- **Development Assistance:** democratic elections, civil society, mass communications, trafficking in persons, agricultural productivity, environmental preservation;
- **Economic Support Funds (ESF):** Khmer Rouge Tribunal (ECCC);
- **Foreign Military Financing (FMF):** English-language training, military equipment, vehicle maintenance and logistical management training, maritime security;
- **Global Health:** HIV/AIDS, tuberculosis, malaria, maternal and child health, family planning and reproductive health, access to health care, nutrition;
- **International Military Education and Training (IMET):** English-language, leadership training, maritime security;
- **Nonproliferation, Antiterrorism, Demining and Related Programs (NADR):** Explosive remnants of war (ERW) clearance, border security; and
- **Global and Regional Programs:** Global Climate Change Initiative, East Asia and Pacific trafficking-in-persons.

⁵⁰ “Cambodia: Ieng Sary Death Shows Khmer Rouge Court Failings,” *Human Rights Watch Asia*, March 14, 2013.

⁵¹ “Statement by the National Co-Prosecutor Regarding Case File 003,” Extraordinary Chambers in the Courts of Cambodia,” May 10, 2011.

⁵² Organisation for Economic Cooperation and Development (OECD), Creditor Reporting System. DAC is a sub-grouping of the OECD.

⁵³ Congressional Budget Justification for Foreign Operations, FY2014.

Table 1. U.S. Assistance to Cambodia, FY2011-FY2014
(millions of dollars)

Aid Account	FY2011	FY2012	FY2013 ^a	FY2014 request
Development Assistance	24.0	28.3	—	27.8
Economic Support Fund	12.0	7.0	—	5.0
Foreign Military Financing	0.7	0.8	—	1.0
Global Health Programs	35.5	35.5	—	35.0
International Military Education and Training	0.1	0.3	—	0.4
Nonproliferation, Antiterrorism, Demining and Related Programs	2.9	4.1	—	4.1
Total	75.2	76.0	—	73.3

Source: Congressional Budget Justification for Foreign Operations, FY2011-14.

- a. Under the Consolidated and Further Continuing Appropriations Act, 2013, most Department of State foreign operations accounts are to continue at the same levels as FY2012; however, these funds also are subject to the budget sequestration process, which may significantly reduce actual funding amounts.

In 2009, then-Secretary of State Hillary Clinton launched the Lower Mekong Initiative (LMI), a regional foreign assistance effort through which the United States aims to promote cooperation and capacity building in the areas of education, health, women's issues, regional infrastructure, and the environment. LMI participants are Burma (Myanmar), Cambodia, Laos, Thailand, and Vietnam. In 2012, the Obama Administration announced that, as part of the rebalancing policy in the Asia Pacific region, it would provide \$50 million over three years for LMI programs. Among other aims, the LMI provides support to the Mekong River Commission (MRC) in an effort to help address the environmental effects of hydropower projects, many of them backed by Chinese companies, along the region's main tributary.⁵⁴ The MRC is an inter-governmental agency whose mission is to promote the sustainable development of the Mekong River and collaboration on the management of shared water resources.⁵⁵

Cambodia is one of the world's most heavily afflicted countries in terms of the numbers of unexploded ordnance (UXO) or explosive remnants of war (ERW), including landmines, cluster munitions, and bombs, as a result of U.S. bombing during the Vietnam War, the Vietnamese invasion, and civil wars during the 1970s and 1980s. There have been an estimated 27,000 UXO/ERW casualties since 1992, and 64,000 since 1979.⁵⁶ U.S. assistance to Cambodia includes support for removing UXO/ERW and related training and Leahy War Victims Fund programs for prostheses, physical rehabilitation, and related training, employment, and support to non-

⁵⁴ Clinton Talks Cash Injections at ASEAN," *Phnom Penh Post*, July 12, 2012; Department of State, *Lower Mekong Initiative: Fact Sheet*, July 13, 2012.

⁵⁵ Mekong River Commission, <http://www.mrcmekong.org/about-the-mrc/>. The MRC's membership includes Cambodia, Laos, Thailand, and Viet Nam.

⁵⁶ Zsombor Peter, "Mine, UXO Casualties Down; Deaths Steady," *The Cambodia Daily*, February 14, 2013; MAG America, <http://www.maginternational.org/cambodia>; Landmine and Cluster Munition Monitor, <http://www.the-monitor.org/>.

governmental organizations (NGOs).⁵⁷ The Kingdom reportedly has reduced the casualty rate from 900 per year in 2005 to under 200 in 2012, with the help of international aid.⁵⁸

From 1998 to 2007, the U.S. Congress prohibited direct or government-to-government assistance to Cambodia in order to pressure Prime Minister Hun Sen into fully restoring democracy, but allowed U.S. assistance to NGOs and some humanitarian programs to continue. Congress lifted the ban in 2007 due in part to improving democratic procedures. Assistance remains largely channeled through NGOs, in part “reflecting USAID’s commitment to building a vital civil society in Cambodia.”⁵⁹ Some policy makers have called upon the U.S. government to restrict and reduce foreign assistance to Cambodia if the Secretary of State deems the July 2013 national elections as not credible and competitive.⁶⁰

Other Major Aid Providers

Japan has been an important source of infrastructure and other assistance and investment. Australia’s strong ties to Cambodia stem from its involvement in the U.N. Transitional Authority in Cambodia (1992-1993). Australian ODA has aimed to promote sustainable development and focused on child and maternal health and rural poverty.⁶¹ By other measures, China, which is not an OECD member or DAC country, is the largest provider of foreign aid to Cambodia, reportedly providing over \$200 million annually during the past several years.⁶² China has been a major source of loans, infrastructure construction, investment, and development assistance to the Kingdom. Some human rights groups have criticized foreign aid donors for providing ODA despite the Cambodian government’s lack of progress in improving governance and fighting corruption. Furthermore, many analysts argue that Chinese assistance has significantly reduced the effectiveness of other aid donors attempting to pressure Cambodia to make advances in the areas of rule of law, democracy, and human rights.⁶³

Economic Conditions

Cambodia is one of the poorest countries in Asia. The Kingdom has experienced steady economic growth during the past decade and a half, largely driven by expansions in agriculture, construction, the garment sector, and tourism. GDP growth was estimated to be 6.4% in 2012 and is forecast to be 6.9% in 2013.⁶⁴ However, income inequality, which remains high, has been increasing. Continuing obstacles to faster and more balanced development and greater foreign investment include poor education and public health, low government capacity, weak legal and financial institutions, inadequate infrastructure, and official corruption.

⁵⁷ Department of State, Bureau of Political-Military Affairs, “2012 To Walk the Earth in Safety: Conventional Weapons Destruction Funding,” July 1, 2012.

⁵⁸ Zsombor, op. cit.

⁵⁹ USAID, *History of USAID in Cambodia*, <http://cambodia.usaid.gov/history>.

⁶⁰ See 113th Congress, S.Res. 163 and H.Res. 310, calling for more accountable foreign assistance for Cambodia.

⁶¹ Ministry of Foreign Affairs of Japan, “Meeting Between Mr. Fumio Kishida, Minister for Foreign Affairs, and Mr. Keat Chhon, Deputy Prime Minister, Minister of Economic and Finance of Cambodia,” May 27, 2013; Australian Government, Department of Foreign Affairs and Trade, *Cambodia Country Brief*, November 2012.

⁶² Economist Intelligence Unit, *Country Report: Cambodia*, May 2013; John Pomfret, “Clinton Urges Cambodia to Strike a Balance with China,” *Washington Post*, November 1, 2010.

⁶³ Sophal Ear, “International Donors and Human Rights in Cambodia,” East Asia Forum, November 21, 2012.

⁶⁴ Economist Intelligence Unit, *Country Report: Cambodia*, May 2013.

The United States is the largest overseas market for Cambodian goods, accounting for about half of the Kingdom's garment exports. There are about 600 clothing factories that employ approximately 400,000 workers in the Kingdom. Bilateral trade fell by 20% between 2007 and 2009, but has since rebounded. In 2011, U.S.-Cambodian trade surpassed the levels of before the global recession. In 2012, bilateral trade was worth \$2.9 billion, including \$2.7 billion in U.S. imports of Cambodian goods, mostly apparel, and \$226 million in U.S. exports to the Kingdom. The largest U.S. export item was vehicles.⁶⁵

In 1996, Cambodia and the United States signed a bilateral trade agreement (BTA), which provided for reciprocal "normal trade relations" tariff treatment. In July 2006, Cambodia signed a Trade and Investment Framework Agreement (TIFA) with the United States. Cambodia acceded to the WTO in October 2004. As a member of ASEAN since 1999, the Kingdom is committed to participating in the ASEAN Free Trade Area (AFTA) in 2015.⁶⁶ Cambodia is also a party to the Regional Comprehensive Economic Partnership (RCEP), a proposed free trade area including the 10 nations of ASEAN and 6 other Asia-Pacific countries, which is under negotiation.

Principal foreign investors in Cambodia include China, Malaysia, South Korea, Thailand, the United States, and Vietnam. According to one report, China has become Cambodia's largest investor with approximately \$9 billion in cumulative investment (\$1.19 billion in 2011).⁶⁷ U.S. cumulative investment reportedly totals \$1.3 billion.⁶⁸ The United States invested \$144 million in the country in 2011, triple the amount of 2010.⁶⁹

Tourism accounts for 350,000 Cambodian jobs and 12% of gross domestic product, according to the Tourism Minister. Cambodians hope that offshore oil production will eventually provide a boon to government revenues and the economy. A number of multinational and national companies, including Chevron, are working in the Gulf of Thailand to develop oil reserves, estimated at 500 million barrels. However, the estimated start date of oil production has been delayed from 2013 to 2017.

In addition to low labor costs, many Cambodian garment factories have developed a reputation for good labor practices, largely because of a U.S.-Cambodia agreement, enacted in 1999, that rewarded progress in labor conditions with increased access to the U.S. market. As part of the agreement, in 2001, the International Labor Organization (ILO) was brought in to monitor and promote good labor practices in the Kingdom. It continues to do so under the program *Better Factories Cambodia* with funding from the Royal Government of Cambodia, the Garment Manufacturers' Association in Cambodia, the U.S. Department of Labor, the World Bank, the Australian Agency for International Development, and international buyers.⁷⁰

Labor relations have shown some signs of strain in recent years. Cambodian workers are free to form their own unions and have the right to strike, although a majority of unions are affiliated with the CPP, and independent labor leaders and strike organizers sometimes have been harassed by employers. In February 2013, an estimated 20,000 workers across a number of foreign-owned

⁶⁵ Global Trade Atlas.

⁶⁶ ASEAN member countries are: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar (Burma), Philippines, Singapore, Thailand, and Vietnam.

⁶⁷ Andrew R.C. Marshall and Prak Chan Thul, "China Gambles on Cambodia's Shrinking Forests," *Reuters*, March 7, 2012.

⁶⁸ "Cambodia Bags 9.17 Bln USD Investment from China," *SINA English*, February 6, 2013.

⁶⁹ Vannarith Chheang, "US-Cambodia Relations: Human Rights Is One Variable," *PacNet #80*, November 20, 2012.

⁷⁰ <http://www.betterfactories.org>

textile factories in an industrial area in southeastern Cambodia went on strike for better working conditions and higher wages. Other strikes also occurred in other regions throughout the year.⁷¹

Chinese Investments

Although some Cambodians have expressed appreciation of China's role in their country's development, others have complained of its adverse social, environmental, and other effects. According to some estimates, China has become Cambodia's largest investor, concentrated in such areas as garments, agriculture, and mining. Although the United States is Cambodia's largest export market for apparel, China leads in foreign investment in the sector.⁷² Chinese companies are also helping to develop Cambodia's infrastructure and basic industry, reportedly building a rail line, sea port, and steel plant worth \$11 billion.⁷³ Other projects include road construction, hydropower, and irrigation. In December 2012, Cambodian and Chinese oil companies announced plans to build the Kingdom's first oil refinery in Kampot province, to be completed in 2013.⁷⁴

Domestic demand for energy and Chinese investment have fueled dam construction in Cambodia and other countries along the lower Mekong and other rivers, alarming environmentalists and people who rely upon the waterways for their livelihood. Three Chinese-backed dams have been built in the Kingdom, three are under construction, and more reportedly are planned. These hydropower projects are largely financed and constructed by Chinese banks, companies, and workers, often on terms that are unfavorable to Cambodia, according to critics. Ownership of most Chinese dams is based upon a "build-operate-transfer" arrangement. During a period of Chinese operation, which may last from 30 to 45 years, Cambodia pays the Chinese company for power generated by the dam.

Some experts contend that such dams endanger or disrupt fish supplies, soil conditions, drinking and irrigation water, wildlife and aquatic species, and ecological balances. They add that there is very little transparency or public input regarding the conception, construction, and environmental assessments associated with these projects. Similar dams built in Laos and Vietnam reportedly also have had damaging effects on Cambodia, which lies downstream. Proponents of the dams argue that China is filling a void made by the withdrawal of the World Bank and other developed countries from hydropower projects in the region for reasons related to feasibility and environmental, social, and political costs. They argue that these facilities supply energy for development, reduce reliance on oil, and help expand electricity in rural areas.⁷⁵

Cambodian economic development and foreign (particularly Chinese) demand for hardwood threaten to deplete Cambodia's forests and have spurred illegal logging. Stronger environmental policies in some neighboring countries, such as Thailand, have added pressure on the Cambodian

⁷¹ Department of State, Country Reports on Human Rights Practices for 2012, April 19, 2013; "20,000 Striking Workers in Svay Rieng Want Salaries Doubled," *The Cambodia Herald*, February 14, 2013.

⁷² Cambodian Garment Sector Attracts Huge Foreign Investment, *Fibre2fashion*, February 7, 2013, http://www.fibre2fashion.com/news/apparel-news/newsdetails.aspx?news_id=120881

⁷³ Suy Heimkhemra, "Investment Figures Show Billions of Dollars from China," *VOA Khmer*, January 16, 2013.

⁷⁴ Sinomach Joins in Cambodia's 1st Refinery Project, *Xinhua*, December 28, 2012.

⁷⁵ Denis D. Gray and Elaine Kurtenbach, "As It Dominates Dam Industry, China Criticized for Taking on Destructive Projects Others Shun," *Associated Press*, December 19, 2012; "3rd China-Invested Hydropower Dam Begins Operation in Southwestern Cambodia," *Xinhua News Agency*, February 23, 2013.; Grace Mang, "Guaranteeing Chinese Overseas Dams—By Whom and at What Cost?" *International Rivers*, February 28, 2013, <http://www.internationalrivers.org/blogs/262/guaranteeing-chinese-overseas-dams-%E2%80%93-by-whom-and-at-what-cost>.

timber market. In 2012, a Cambodian environmental activist and an investigative journalist who had exposed illegal logging were killed under suspicious circumstances in separate incidents. Another reporter who had uncovered timber smuggling involving a well-connected local businessman was arrested.⁷⁶ In May 2012, the Cambodian government suspended the granting of land to domestic and foreign companies in a move to curb forced evictions and illegal logging.⁷⁷

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⁷⁶ Mark McDonald, "A Killing Reverberates From a Cambodian Forest," *International Herald Tribune*, May 6, 2012; Vichey Anannth, "Logging Reporter Arrested," *RFA Khmer*, December 10, 2012.

⁷⁷ Prak Chan Thui, "Cambodia Suspends New Land Concessions to Companies," *Reuters*, May 7, 2012.